



January 30, 2004  
Supplement to the Program Disclosure Statement



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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of the Program Disclosure Statement or this Supplement to the Program Disclosure Statement. Any representation to the contrary is a criminal offense.

**VAN KAMPEN**  
INVESTMENTS  
*Generations of Experience<sup>SM</sup>*

# Supplement to the Higher Education 529 Fund Program Disclosure Statement

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## January 30, 2004

This Supplement to the Higher Education 529 Fund Program Disclosure Statement, dated January 30, 2004 (this “Supplement”), adds to and may modify the information set forth in the Higher Education 529 Fund Program Disclosure Statement, dated January 30, 2004 (the “Program Disclosure Statement”). Capitalized terms used in this Supplement and not otherwise defined in this Supplement shall have the meanings given to them in the Program Disclosure Statement.

This Supplement contains information you should know before you invest under the Program. Please read this Supplement and the Program Disclosure Statement before you invest and keep these documents for future reference. Account Owners should rely only on the information contained in the Program Disclosure Statement and this Supplement. No one is authorized to provide information that is different from information contained in the Program Disclosure Statement or this Supplement.

Information in the Program Disclosure Statement is believed to be accurate as of the date of the Program Disclosure Statement and is subject to change without notice. Information in this Supplement is believed to be accurate as of the date of this Supplement and is subject to change without notice.

You could lose money (including amounts contributed to your Account), or not make money, if you participate in the Program. The Accounts, amounts contributed to an Account, the investment return, if any, on an Account, and the future value of an Account and investments under the Program are not deposits of any bank or other insured depository institution, debt obligations of, or insured or guaranteed by the FDIC, the State, the Board, the Treasurer, the Program Trust Fund, any other state or federal governmental agency, the Manager, Van Kampen Funds, Van Kampen Investment Advisory, Van Kampen Investor Services, BFDS, State Street or any of their affiliates, any agent or representative retained in connection with the Program, any other person, or any depository institution. None of these entities or persons has any legal or moral obligation to ensure the ultimate payout of any or all of the amount of any Contribution to an Account or that there will be any investment return, or a particular investment return, with respect to any Account.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this Supplement. Any representation to the contrary is a criminal offense.

## Current Maximum Account Balance Limitation

Under the current Maximum Account Balance Limitation, no Contribution to an Account for a Designated Beneficiary will be permitted if the total value of all Accounts under the Program and PACT Program contracts held on behalf of that Designated Beneficiary equals or exceeds \$300,000. If the total value of all Accounts under the Program and PACT Program contracts held on behalf of that Designated Beneficiary later falls below \$300,000, additional Contributions to any Account of the Designated Beneficiary will be permitted. If the amount of a Contribution, when added to the total value of all Accounts under the Program and PACT Program contracts held on behalf of that Designated Beneficiary would exceed \$300,000, the amount of the Contribution in excess of \$300,000 will not be accepted as a Contribution and will be returned to the Account Owner. The Maximum Account Balance Limitation shall remain \$300,000 until such time as the Board approves a new Maximum Account Balance Limitation. See “Contributions—Maximum Account Balance Limitation” in the Program Disclosure Statement.

## Information Relating to the Current Underlying Funds

The investment objectives and policies of the Underlying Funds are summarized in Appendix I to the Program Disclosure Statement under the heading “Description of the Underlying Funds.” Certain risks relating to the Underlying Funds are summarized in Appendix I to the Program Disclosure Statement under the heading “The Underlying Funds Risk Factors and Special Considerations.” Certain risks relating to participation in the Program are summarized under the heading “Program Risk Factors and Special Considerations.”

*The summaries of the investment objectives and policies of the Underlying Funds and the summaries of certain risks relating to the Underlying Funds are qualified in their entirety by reference to the detailed information included in their current Prospectuses and SAIs. In particular, the current Prospectuses and SAIs of the Underlying Funds contain additional information not summarized in the Program Disclosure Statement and may identify additional risks to which the Underlying Funds may be subject. Please call (800) 341-2911 or visit [www.vankampen.com](http://www.vankampen.com) for more information about the Underlying Funds or to obtain copies of their current Prospectuses and SAIs.*

# Historical Investment Performance of the Current Underlying Funds



The following table summarizes: (a) the Cumulative Total Return for each Underlying Fund as of December 31, 2003, for one quarter, two quarters, and one year; (b) the Average Annual Total Return for each Underlying Fund as of December 31, 2003, for three years, five years (if available), 10 years (if available), and since inception; (c) the Cumulative Total Return for each Underlying Fund for the years ended December 31, 2003, 2002, 2001, 2000, and 1999; and (d) with respect to Van Kampen Reserve Fund, the seven-day annualized yield for the week ended January 21, 2004.

**Performance data represent past performance. The past performance of the Underlying Funds is no guarantee of future results for the Underlying Funds or the Portfolios.** Total returns include reinvested dividends and capital gains. Returns for periods of one year or less are cumulative; returns for periods over one year are annualized. Performance information is presented for Class A shares for each Underlying Fund utilized by the Program and reflects the imposition of the applicable annual service (Rule 12b-1) fee but does not reflect the imposition of Program-Level Fees and Expenses. If Program-Level Fees and Expenses were included, the investment performance of the Underlying Funds would have been lower. See “Program-Level Fees and Expenses: Establishing Accounts Through Financial Advisors” and “Program-Level Fees and Expenses: Direct Participation by Alabama Residents” in the Program Disclosure Statement to better understand the effect that these fees and expenses will have on an investment under the Program.

## Underlying Funds

	Cumulative Total Return†[%]		Average Annual Total Return†[%]					Share Class Incep. Date		Cumulative Total Return†[%] for Year Ended December 31,				
	QTR*	20TRS*	1 Year	3 Year	5 Year	10 Year	Since Incept.			2003	2002	2001	2000	1999
<b>EQUITY</b>														
<b>U.S. Large-Cap</b>														
Van Kampen Emerging Growth Fund .....	9.82%	12.41%	27.85%	-14.82%	0.77%	10.40%	15.30%	10/02/70		27.85%	-33.22%	-32.59%	-11.36%	103.72%
Van Kampen Growth and Income Fund .....	12.89%	15.57%	27.57%	0.73%	6.52%	12.28%	9.95%	08/01/46		27.57%	-14.71%	-6.06%	19.02%	12.70%
Van Kampen Equity and Income Fund .....	9.42%	11.27%	22.16%	3.07%	7.67%	12.18%	11.17%	09/03/60		22.16%	-8.32%	-2.23%	20.19%	9.95%
Van Kampen Value Opportunities Fund .....	11.58%	18.63%	37.01%	—	—	—	3.38%	06/25/01		37.01%	-16.43%	-5.05%*	—	—
Van Kampen Comstock Fund .....	11.97%	15.82%	30.98%	1.13%	6.91%	13.34%	12.21%	10/07/68		30.98%	-19.59%	-1.79%	31.91%	2.38%
<b>U.S. Cap Mid-Cap</b>														
Van Kampen Growth Fund .....	10.49%	14.83%	27.52%	-8.44%	3.49%	—	14.87%	12/27/95		27.52%	-25.09%	-19.64%	-2.77%	59.07%
<b>U.S. Small-Cap</b>														
Van Kampen Small Cap Value Fund .....	14.38%	21.59%	39.13%	10.92%	—	—	11.56%	06/21/99		39.13%	-14.15%	14.27%	22.86%	-2.13%
<b>Global and International</b>														
Van Kampen International Advantage Fund .....	14.40%	22.94%	35.24%	—	—	—	10.43%	09/26/01		35.24%	-15.77%	9.88%*	—	—
Van Kampen International Magnum Fund .....	15.14%	23.90%	30.57%	-5.35%	-1.41%	—	0.86%	07/01/96		30.57%	-17.61%	-21.18%	-10.77%	23.09%
Van Kampen Global Franchise Fund .....	15.36%	18.35%	26.47%	10.85%	15.77%	—	16.85%	09/25/98		26.47%	6.60%	1.04%	26.69%	20.49%
<b>FIXED-INCOME</b>														
Van Kampen High Income Corporate Bond Fund .....	5.65%	8.33%	24.17%	3.07%	0.87%	4.24%	7.47%	10/02/78		24.17%	-9.42%	-2.65%	-8.22%	3.90%
Van Kampen Corporate Bond Fund .....	1.77%	2.71%	9.79%	7.49%	5.30%	6.23%	8.03%	09/23/71		9.79%	3.38%	9.41%	7.83%	-3.32%
Van Kampen Government Securities Fund .....	-0.18%	-0.75%	1.27%	5.89%	5.25%	5.69%	7.70%	07/16/84		1.27%	9.73%	6.84%	12.16%	-3.02%
Van Kampen Limited Maturity Government Fund .....	0.25%	0.53%	1.04%	4.48%	4.57%	4.74%	5.45%	06/16/86		1.04%	5.34%	7.16%	7.25%	2.22%
<b>CASH/MONEY MARKET</b>														
Van Kampen Reserve Fund 7 Day Ann Yield: 0.05% .....	0.03%	0.11%	0.52%	1.63%	2.98%	3.73%	6.45%	07/12/74		0.52%	1.00%	3.41%	5.60%	4.48%

Note: Performance information for the Underlying Funds has been provided by the Manager.

\* Does not represent a full year's performance.

† Cumulative Total Return reflects actual performance over a stated period of time.

†† Average Annual Total Return is a hypothetical rate of return that, if achieved annually, would have produced the same Cumulative Total Return if performance had been constant over the entire period. Average Annual Total Return smooths out variations in performance but is not the same as actual year-by-year results.

# Historical Investment Performance of the Higher Education 529 Fund Portfolios

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The following tables summarize historical investment performance of the Higher Education 529 Fund Portfolios. **Performance data represent past performance. The past performance of the Portfolios is no guarantee of future results for the Portfolios or the Underlying Funds.** Total returns include reinvested dividends and capital gains. Returns for periods of one year or less are cumulative; returns for periods over one year are annualized.

The performance information set forth in the tables below for each Portfolio with the subheading “Including Maximum Applicable Sales Charge”: (i) reflects the fees and expenses for Class A shares for each Underlying Fund, including the applicable annual service (Rule 12b-1) fees, (ii) reflects the imposition of the Program Management Fee under Unit Class A, (iii) reflects the imposition of the State Administration Fee under Unit Class A, (iv) reflects the imposition of the maximum applicable initial sales charge under Unit Class A, and (v) does not reflect the imposition of any Annual Account Fee. If an Annual Account Fee was included, the investment performance set forth below would have been lower.

The performance information set forth in the tables below for each Portfolio with the subheading “Excluding Maximum Applicable Sales Charge”: (i) reflects the fees and expenses for Class A shares for each Underlying Fund, including the applicable annual service (Rule 12b-1) fees, (ii) reflects the imposition of the Program Management Fee under Unit Class A, (iii) reflects the imposition of the State Administration Fee under Unit Class A, (iv) does not reflect the imposition of any initial sales charge or deferred sales charge, and (v) does not reflect the imposition of any Annual Account Fee. If an Annual Account Fee was included, the investment performance set forth below would have been lower.

**The investment performance for Accounts under Unit Class B and Unit Class C would be lower than the investment performance shown below when maximum applicable sales charges are excluded because the Program Management Fee under Unit Class A is lower than the Program Management Fees under Unit Class B and Unit Class C. The investment performance for Accounts under Unit Class S would be higher than the investment performance shown below because there are no Program Management Fees, State Administration Fees, initial sales charges, or deferred sales charges for Accounts under Unit Class S. See “Fees and Expenses Paid By Underlying Funds,” “Program-Level Fees and Expenses: Establishing Accounts Through Financial Advisors,” and “Program-Level Fees and Expenses: Direct Participation by Alabama Residents” in the Program Disclosure Statement for more information about fees and expenses.**

# Fixed Portfolios

The following table summarizes for each Fixed Portfolio: (a) the Cumulative Total Return for each Portfolio as of December 31, 2003, for one quarter, two quarters, and one year and (b) the Average Annual Total Return for each Portfolio as of December 31, 2003 since inception.

	Cumulative Total Return†[%]			Average Annual Total Return††[%]	
	QTR*	2QTRS*	1 Year	Since Incep.	Incep. Date
<b>Fixed Portfolios</b>					
Higher Education Fund Equity Portfolio (Including Maximum Applicable Sales Charge)**	6.10%	10.50%	22.57%	8.46%	6/26/02
Higher Education Fund Equity Portfolio (Excluding Maximum Applicable Sales Charge)**	12.57%	17.19%	30.01%	12.79%	
Higher Education Fund Bond Portfolio (Including Maximum Applicable Sales Charge)	-3.83%	-3.49%	1.28%	3.43%	6/26/02
Higher Education Fund Bond Portfolio (Excluding Maximum Applicable Sales Charge)	1.01%	1.28%	6.35%	6.81%	
Higher Education Fund Short Term Income Portfolio (Including Maximum Applicable Sales Charge)	-2.22%	-2.12%	-1.84%	-0.58%	6/26/02
Higher Education Fund Short Term Income Portfolio (Excluding Maximum Applicable Sales Charge)	0.00%	0.10%	0.40%	0.92%	

Note: Performance information for the Portfolios has been provided by the Manager.

\* Does not represent a full year's performance.

\*\* Includes investment performance for Van Kampen Comstock Fund for the periods indicated.

† Cumulative Total Return reflects actual performance over a stated period of time.

†† Average Annual Total Return is a hypothetical rate of return that, if achieved annually, would have produced the same Cumulative Total Return if performance had been constant over the entire period. Average Annual Total Return smooths out variations in performance but is not the same as actual year-by-year results.

# Years to Enrollment Portfolios

The following table summarizes for each Years to Enrollment Portfolio: (a) the Cumulative Total Return for each Portfolio as of December 31, 2003, for one quarter, two quarters, and one year and (b) the Average Annual Total Return for each Portfolio as of December 31, 2003 since inception.

	Cumulative Total Return†[%]			Average Annual Total Return††[%]	
	QTR*	2QTRS*	1 Year	Since Incep.	Incep. Date
<b>Years to Enrollment Portfolios**</b>					
Higher Education Fund Aggressive Portfolio 1 (Including Maximum Applicable Sales Charge) .....	4.86%	8.73%	19.96%	8.94%	6/26/02
Higher Education Fund Aggressive Portfolio 1 (Excluding Maximum Applicable Sales Charge) .....	11.23%	15.38%	27.29%	13.28%	
Higher Education Fund Moderate Portfolio 1 (Including Maximum Applicable Sales Charge) .....	1.26%	3.69%	12.05%	3.94%	6/26/02
Higher Education Fund Moderate Portfolio 1 (Excluding Maximum Applicable Sales Charge) .....	7.45%	9.97%	18.92%	8.08%	
Higher Education Fund Conservative Portfolio 1 (Including Maximum Applicable Sales Charge) .....	-2.46%	-1.46%	4.26%	5.46%	6/26/02
Higher Education Fund Conservative Portfolio 1 (Excluding Maximum Applicable Sales Charge) .....	3.51%	4.55%	10.58%	9.66%	
Higher Education Fund Aggressive Portfolio 2 (Including Maximum Applicable Sales Charge) .....	3.01%	6.21%	15.95%	6.25%	6/26/02
Higher Education Fund Aggressive Portfolio 2 (Excluding Maximum Applicable Sales Charge) .....	9.30%	12.69%	23.07%	10.48%	
Higher Education Fund Moderate Portfolio 2 (Including Maximum Applicable Sales Charge) .....	0.26%	2.37%	10.19%	6.55%	6/26/02
Higher Education Fund Moderate Portfolio 2 (Excluding Maximum Applicable Sales Charge) .....	6.38%	8.65%	16.92%	10.79%	
Higher Education Fund Conservative Portfolio 2 (Including Maximum Applicable Sales Charge) .....	-3.04%	-2.19%	2.86%	3.33%	6/26/02
Higher Education Fund Conservative Portfolio 2 (Excluding Maximum Applicable Sales Charge) .....	2.86%	3.82%	9.10%	7.45%	
Higher Education Fund Moderate Portfolio 3 (Including Maximum Applicable Sales Charge) .....	1.33%	3.45%	11.12%	5.52%	6/26/02
Higher Education Fund Moderate Portfolio 3 (Excluding Maximum Applicable Sales Charge) .....	6.35%	8.58%	16.70%	8.97%	
Higher Education Fund Conservative Portfolio 3 (Including Maximum Applicable Sales Charge) .....	-2.03%	-1.16%	3.73%	3.86%	6/26/02
Higher Education Fund Conservative Portfolio 3 (Excluding Maximum Applicable Sales Charge) .....	2.87%	3.73%	8.91%	7.26%	
Higher Education Fund Conservative Portfolio 4 (Including Maximum Applicable Sales Charge) .....	-0.46%	0.00%	3.75%	3.58%	6/26/02
Higher Education Fund Conservative Portfolio 4 (Excluding Maximum Applicable Sales Charge) .....	1.79%	2.27%	6.10%	5.15%	
Higher Education Fund Conservative Portfolio 5 (Including Maximum Applicable Sales Charge) .....	-1.30%	-1.02%	1.63%	2.56%	6/26/02
Higher Education Fund Conservative Portfolio 5 (Excluding Maximum Applicable Sales Charge) .....	0.95%	1.24%	4.01%	4.11%	

Note: Performance information for the Portfolios has been provided by the Manager.

\* Does not represent a full year's performance.

\*\* Includes investment performance for Van Kampen Comstock Fund for the periods indicated.

† Cumulative Total Return reflects actual performance over a stated period of time.

†† Average Annual Total Return is a hypothetical rate of return that, if achieved annually, would have produced the same Cumulative Total Return if performance had been constant over the entire period. Average Annual Total Return smooths out variations in performance but is not the same as actual year-by-year results.



# Individual Fund Portfolios

The following table summarizes the Cumulative Total Return for each Portfolio as of December 31, 2003, for one quarter, two quarters, and from April 1, 2003 to December 31, 2003 for each Individual Fund Portfolio.

	Cumulative Total Return†[%]			Incep. Date
	QTR*	2QTRS*	April 1, 2003 to Dec. 31, 2003*	
<b>Individual Fund Portfolios</b>				
Higher Education Fund Equity and Income Portfolio (Including Maximum Applicable Sales Charge) . . . . .	3.00%	4.83%	16.68%	4/1/03
Higher Education Fund Equity and Income Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	9.27%	11.23%	23.80%	
Higher Education Fund Comstock Portfolio (Including Maximum Applicable Sales Charge) . . . . .	5.20%	8.83%	21.96%	4/1/03
Higher Education Fund Comstock Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	11.65%	15.43%	29.40%	
Higher Education Fund Small Cap Value Portfolio (Including Maximum Applicable Sales Charge) . . . . .	7.43%	14.10%	21.30%	4/1/03
Higher Education Fund Small Cap Value Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	13.99%	21.07%	28.70%	
Higher Education Fund Emerging Growth Portfolio (Including Maximum Applicable Sales Charge) . . . . .	3.31%	5.51%	11.88%	4/1/03
Higher Education Fund Emerging Growth Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	9.60%	11.98%	18.70%	
Higher Education Fund Growth Portfolio (Including Maximum Applicable Sales Charge) . . . . .	3.78%	8.14%	13.95%	4/1/03
Higher Education Fund Growth Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	10.11%	14.71%	20.90%	
Higher Education Fund Global Franchise Portfolio (Including Maximum Applicable Sales Charge) . . . . .	8.35%	11.16%	21.11%	4/1/03
Higher Education Fund Global Franchise Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	14.94%	17.89%	28.50%	
Higher Education Fund International Advantage Portfolio (Including Maximum Applicable Sales Charge) . . . . .	7.68%	15.41%	13.67%	4/1/03
Higher Education Fund International Advantage Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	14.20%	22.44%	20.60%	
Higher Education Fund Government Securities Portfolio (Including Maximum Applicable Sales Charge) . . . . .	-4.93%	-5.47%	-4.57%	4/1/03
Higher Education Fund Government Securities Portfolio (Excluding Maximum Applicable Sales Charge) . . . . .	-0.20%	-0.79%	0.20%	

Note: Performance information for the Portfolios has been provided by the Manager.

\* Does not represent a full year's performance.

† Cumulative Total Return reflects actual performance over a stated period of time.



## Fees and Expenses

Accounts will be subject to certain ongoing fees and expenses under the Program. For most Account Owners, these fees and expenses generally will include: (a) certain fees and expenses incurred by the Underlying Funds in which Program Trust Fund assets are invested, and (b) certain Program-Level Fees and Expenses. For certain Account Owners, these fees and expenses also will include separate fees that are charged by Financial Advisors in connection with Class A Units. See “Fees and Expenses Paid By Underlying Funds” and “Program-Level Fees and Expenses: Establishing Accounts Through Financial Advisors” or “Program-Level Fees and Expenses: Direct Participation by Alabama Residents,” as applicable, in the Program Disclosure Statement.

The total operating expense ratio for each Underlying Fund may change over time due to, among other things, changes in the rate or amount of such fees and expenses or the total net assets of the Underlying Fund. The amount of the Program-Level Fees and Expenses described in the Program Disclosure Statement may be changed by the Board at any time and any number of times without prior notice. New fees and expenses, including a termination fee for Accounts being closed, may be charged in the future.

**How to Contact the Program.** The Higher Education 529 Fund headquarters are located in the State Capitol Building, Suite S-106, 600 Dexter Avenue, Montgomery, Alabama 36130. Brochures, forms, and enrollment packages for the Higher Education 529 Fund will be available through the Manager’s website ([www.vankampen.com](http://www.vankampen.com)) and the Treasurer’s website ([www.treasury.state.al.us](http://www.treasury.state.al.us)). Account information is available at the Manager’s website ([www.vankampen.com](http://www.vankampen.com)). If you have any questions about the Program, please call the Manager at 866-529-ACCT(2228) or your Financial Advisor.

